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GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

CLEON B. FEIGHT
Director



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

Route
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MAN
718
OIL, GAS, AND MINING BOARD

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May 1, 1980

Mr. Fred Riding
Stauffer Chemical Company
Vernal, Utah 84078

Re: Tentative Approval
Vernal Operations
ACT/047/007
Uintah County, Utah

Dear Mr. Riding:

At their April 23, 1980 Executive Meeting, the Board of Oil, Gas and Mining gave concurrence to the Division staff in their decision to issue tentative approval to Stauffer Chemical Company's Vernal Operations. The Division therefore issues tentative approval to this operation pending Stauffer's satisfying two stipulations prior to final approval. These two stipulations provided by the Board are to be met prior to the issuance of final approval.

The first stipulation which the Board set forth calls for a determination of the area of the tailings pond which will contain the 5 to 9 vertical feet of water. The Board stated concern that the ponded area would be no larger than $\frac{1}{2}$ acre in size and preferred that it be no larger than $\frac{1}{4}$ acre in size. To satisfy this Board stipulation, the Division requests that Stauffer submit a written commitment that the remaining ponded area will be no larger than $\frac{1}{4}$ to $\frac{1}{2}$ acre in size.

Wired
The second Board stipulation involves obtaining data from Stauffer on the analysis of the liquid contained in the tailings pond. If Stauffer currently analyzes this liquid then submission to the Division of this data may be sufficient for the Division to review. However, if you do not have any current water quality analysis for the tailings pond, then the Division requires water quality sampling of the tailings pond on a quarterly basis to be done for the period of one year. The samplings should include a complete water quality analysis done by a qualified laboratory. In order to satisfy the second Board stipulation, the Division needs to review the data from any current water quality sampling of the tailings pond or the Division needs to receive a commitment from Stauffer that the quarterly sampling will be done for a period of one year.

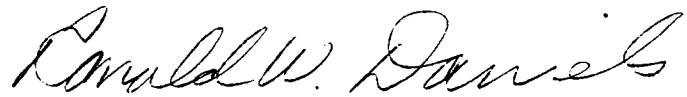
Mr. Fred Riding
May 1, 1980
Page Two

The Division will now proceed with the Board's directive of issuing tentative approval and final approval pending publication and the receipt of the above-mentioned commitments and/or data. A copy of the soon to be published notice is enclosed.

The Board also gave concurrence to the form and provisions of the Reclamation Contract. The Contract, which has already been signed by the Board, is enclosed for execution by Stauffer Chemical Company.

Please call if you have questions concerning these matters.

Sincerely,

A handwritten signature in cursive script that reads "Ronald W. Daniels".

RONALD W. DANIELS
COORDINATOR OF MINED
LAND DEVELOPMENT

RWD/sp
enc: Reclamation Contract

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

* MINED LANDS RECLAMATION CONTRACT *

THIS CONTRACT, made and entered into this 23rd day of April, 19 80, between Stauffer Chemical, Company, a corporation duly authorized and existing under and by virtue of the laws of Delaware, hereinafter called the Operator, and the Board of Oil, Gas and Mining, duly authorized and existing by virtue of the laws of the State of Utah, hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto.

WHEREAS, the Operator did on the 20th day of June, 1977, file with the Division of Oil, Gas and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Chapter 8, Title 40 Utah Code Annotated, 1953.

WHEREAS, the Operator is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, the financial status of the Operator and his capabilities of carrying out the planned work.

NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows.

AGREEMENT

The Operator Agrees:

1. To reclaim the land affected by mining activities in accordance with the Operator's mining and reclamation plan as approved by the Board on June 20, 19 77, the Mined Land Reclamation Act and regulations adopted under said Act.

2. To expend as a minimum average \$12,500 in 1980 dollars per year as determined in accordance with the current price index (U.S. Department of Labor, Bureau of Labor Statistics) for each separate three year period of mining activity. Said amount shall be expended in implementing and maintaining a program applying "practical land treatments" as defined by Board Rule M-10(12)(3) in reclamation of land impacted by mining or processing operations. While on-site operating wages and expenses may be calculated into the required expenditure, executive salaries and company overhead costs shall be excluded.

3. That the annual expenditure set forth in paragraph two will be applied to a minimum average of twenty-five (25) acres of land impacted by mining activities occurring subsequent to enactment of the Mined Land Reclamation Act of May 1975.

4. The annual expenditure requirements as set forth above will continue until mining operations as described in the approved notice of intent are permanently terminated.

5. Contractual commitments of this Agreement will not abrogate the legal responsibilities of the Operator to complete mined land reclamation as required by the Notice of Intent to Mine, the Mined Land Reclamation Act and implementing regulations.

6. The Operator agrees to provide to the Board and Division annually, a detailed report of reclamation work performed during the preceeding year, including a cost accounting for said reclamation work in 1980 dollars.

7. Both parties agree to retain the right to propose amendments to the reclamation plan if for any reason such an amendment may be necessary.

8. The Operator agrees to designate a responsible individual who is involved in the Operator's on-going reclamation efforts, who will serve as liaison to the Division.

9. This contract shall be binding upon all parties as well as their successors and assigns.

10. The Operator shall be an independent contractor and as such shall have no authorization to bind the State of Utah or the Board or Division of Oil, Gas and Mining to any agreement except as herein set forth.

11. The Operator agrees to hold harmless the State of Utah and the Board and Division of Oil, Gas and Mining from claims for personal injury or death, damages to personal property and liens of workmen and materialmen, howsoever caused, in performance of this contract.

The Board Agrees as Follows:

1. In lieu of accepting a bond or surety, the Board agrees to accept the Operator's personal guarantee as set forth in this contract, to reclaim the land affected in accordance with its approved reclamation plan.

2. This Contract shall fulfill the Operator's requirements under Section 40-8-14, Utah Code Annotated and Rule M-5 of the Board's Regulations.

The Operator and the Board agree to terminate this Contract as follows:

1. If, through any cause, the Operator fails to fulfill in a timely and proper manner, obligations under this Contract, the Board or Division shall have the right to terminate this Contract if after 30 days written notice of said breach of Contract, the Operator fails to remedy the situation to the satisfaction of the Board or Division, by giving written notice of the Operator of such termination and specifying the effective date thereof. In that event, the Operator shall be deemed to be in violation of the Mined Land Reclamation Act and the Board or Division may initiate proceedings to terminate the approved Notice of Intent to Mine.

2. Should the Mined Land Reclamation Act or implementing regulations be amended with respect to surety requirements, such that this Contract no longer fulfills the requirements of the State of Utah, this Contract shall terminate and the Operator will be given reasonable opportunity to comply with such new requirement.

IN WITNESS THEREOF, the parties hereto set their hands this 23rd day of April, 19 80.

APPROVED AS TO FORM:

BOARD OF OIL, GAS AND MINING

by: Denise A. Dugan
Special Assistant
Attorney General

by: C. R. Henderson

OPERATOR

by: _____

CORPORATE ACKNOWLEDGMENT

STATE OF UTAH)
) SS
COUNTY OF _____)

On this _____ day of _____, 19____, personally appeared
before me _____, who by me duly sworn did say
that he is the _____ of Stauffer Chemical Company and
that the foregoing instrument was signed on behalf of said corporation
by authority of a corporate resolution, and said _____
acknowledged to me that said corporation executed the same.

Notary Public: _____

Residing: _____

My Commission Expires:
